

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國山東高速金融集團有限公司
CHINA SHANDONG HI-SPEED FINANCIAL GROUP LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 412)

DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 24 December 2019 (after trading hours), the Facility Agreement was entered into among CSH Capital HK, an indirect wholly-owned subsidiary of the Company as lender, the Borrower as borrower, and the Guarantor as guarantor, pursuant to which CSH Capital HK has conditionally agreed to provide the Facility in the principal amount of US\$100 million (equivalent to approximately HK\$780 million) to the Borrower for a term of 364 days after the Drawdown Date.

LISTING RULE IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan is more than 5% but all are less than 25%, the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

In addition, as a member of the Group has been providing accounts receivable factoring services to a member of the Guarantor Group pursuant to the Existing Factoring Agreements, the grant of the Loan and the Existing Factoring Services require aggregation under Rule 14.22 of the Listing Rules. Given that one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan and the Existing Factoring Services in aggregate is more than 5% but all are less than 25%, the Loan and the Existing Factoring Services in aggregate still constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As the aggregate amount of the Loan together with the Existing Factoring Services does not exceed 8% of the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan and the Existing Factoring Services is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 24 December 2019 (after trading hours), CSH Capital HK (an indirect wholly-owned subsidiary of the Company) entered into the Facility Agreement with the Borrower and the Guarantor, pursuant to which CSH Capital HK has conditionally agreed to provide the Facility in the principal amount of US\$100 million (equivalent to approximately HK\$780 million) to the Borrower for a term of 364 days after the Drawdown Date.

Facility Agreement

Summarised below are the principal terms of the Facility Agreement.

Date: 24 December 2019

Lender: CSH Capital HK

Borrower: The Borrower

Guarantor: The Guarantor

Effective interest rate: 6.5% per annum

Principal: US\$100 million

The Facility will be available for drawdown upon the satisfaction of certain conditions as set out in the Facility Agreement

Term: 364-day period commencing from the Drawdown Date

Guarantee: Pursuant to the Facility Agreement, the Guarantor irrevocably and unconditionally:

- (i) guarantees to CSH Capital HK the punctual performance by the Borrower of all the Borrower's obligations under the Finance Documents;
- (ii) undertakes with CSH Capital HK that whenever the Borrower does not pay any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (iii) agrees with CSH Capital HK that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify CSH Capital HK immediately on demand against any cost, loss or liability it incurs as a result of the Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due.

Repayment: The Borrower shall repay the Loan in full in one lump sum on the Maturity Date and pay the interest every six months (or such other period as CSH Capital HK may agree)

Prepayment:

At any time following the occurrence of, among other things, the following events, CSH Capital HK may notify the Borrower that it requires the Loan to be prepaid, and upon such notification, the Facility will be immediately cancelled and the Borrower shall, within five Business Days of demand, repay the Loan together with accrued interest and all other amounts accrued under the Finance Documents:

- (1) the shares in the Guarantor are suspended from trading on the Stock Exchange for more than 15 consecutive trading days (other than (a) suspension for purely technical reasons which are beyond the Guarantor's control or (b) suspension pending the issue of an announcement under Chapter 14 or Chapter 14A of the Listing Rules or any announcement to be made pursuant to The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, provided that, in each case, the suspension of which will not adversely affect CSH Capital HK's interest under any Finance Documents); or
- (2) the Guarantor ceases to beneficially own 100% of the entire issued share capital in the Borrower.

FUNDING OF THE LOAN

The Group will finance the Loan by internal resources of the Group.

INFORMATION OF THE GROUP

The Company is an investment holding company incorporated in Bermuda with limited liability and its subsidiaries are principally engaged in (i) investment in securities; (ii) money lending; (iii) financial leasing; and (iv) financial technology.

CSH Capital HK is a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in financial investment.

INFORMATION OF THE BORROWER AND THE GUARANTOR

The Borrower is a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Guarantor. It is principally engaged in investment holding.

The Guarantor is an investment holding company and is a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3883). The principal activities of the Guarantor Group comprise property development and property investment in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Borrower, the Guarantor and their substantial shareholders are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE FACILITY

The terms of the Facility Agreement were negotiated on an arm's length basis between CSH Capital HK and the Borrower with reference to the prevailing market practice. The interest rate of the Loan has been determined by reference to market yield rates of senior unsecured bonds with maturity dates of around one year issued by the Guarantor and other Chinese real estate developers with similar business size and similar credit ratings, as obtained by the Company from Bloomberg BVAL pricing system. The Directors consider that the terms of the Facility Agreement (including the interest rate) were entered into on normal commercial terms.

Having taken into account (i) the Guarantor Group being one of the top 30 real estate developers for the 11 months ended 30 November 2019 according to China Real Estate Information Corporation (a real estate big data application service provider in the People's Republic of China) by value of sales contracts; (ii) the Guarantor Group's consolidated net asset value as at 30 June 2019 being in excess of RMB30 billion; (iii) the Guarantor Group's consolidated net profit for the year ended 31 December 2018 being in excess of RMB2 billion; (iv) the Guarantor being a company issued with a "BB-" credit rating by Fitch Ratings, Inc.; and (v) that revenue and cash flow from interest income is expected, the Directors are of the view that the terms of the Facility Agreement and the entering into of the Facility Agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

No Director has a material interest in the Facility Agreement, and accordingly no Director is required to abstain from voting on the board resolutions approving the Facility Agreement and the transactions contemplated thereunder.

LISTING RULE IMPLICATIONS

The advance of the Loan constitutes financial assistance provided by the Company within the meaning of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan is more than 5% but all are less than 25%, the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

In addition, as a member of the Group has been providing accounts receivable factoring services to a member of the Guarantor Group pursuant to the Existing Factoring Agreements, the grant of the Loan and the Existing Factoring Services require aggregation under Rule 14.22 of the Listing Rules. Given that one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan and the Existing Factoring Services in aggregate is more than 5% but all are less than 25%, the Loan and the Existing Factoring Services in aggregate still constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As the aggregate amount of the Loan together with the Existing Factoring Services does not exceed 8% of the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan and the Existing Factoring Services is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the words and expressions below shall have the following meanings when used herein:

“Borrower”	Asia Dynasty Enterprises Limited (廣京企業有限公司), a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Guarantor;
“Business Day”	a day (other than a Saturday, Sunday and Public Holiday) on which licensed banks are open for business in Hong Kong;
“Company”	China Shandong Hi-Speed Financial Group Limited (中國山東高速金融集團有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 412);
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“CSH Capital HK”	China Shandong Hi-Speed Capital (HK) Limited (中國山東高速資本(香港)有限公司), a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“Director(s)”	the director(s) of the Company;
“Drawdown Date”	the date on which the Facility is drawdown;

“Existing Factoring Agreements”	the factoring agreements dated 24 December 2018, 26 March 2019, 25 June 2019, 22 August 2019 and 28 November 2019 respectively entered into between SIC Factoring and Guangdong Jiaoling, pursuant to which SIC Factoring has agreed to provide accounts receivable factoring services in aggregate principal sum of not exceeding RMB71,500,000 (equivalent to approximately HK\$79,365,000) to Guangdong Jiaoling each with a term of six months at the interest rate per annum of 11% in the past 12 months prior to the date of this announcement;
“Existing Factoring Services”	the accounts receivable factoring services provided by SIC Factoring to Guangdong Jiaoling under the Existing Factoring Agreements;
“Facility”	a term loan facility in the principal amount of US\$100 million to be made available to the Borrower by CSH Capital HK upon and subject to the terms and conditions of the Facility Agreement;
“Facility Agreement”	the facility agreement dated 24 December 2019 entered into among CSH Capital HK, the Borrower and the Guarantor in respect of the Facility;
“Finance Documents”	the Facility Agreement, any utilisation request in respect of the Loan and any other document designated as such by CSH Capital HK and the Borrower;
“Group”	the Company and its subsidiaries;
“Guangdong Jiaoling”	Guangdong Jiaoling Construction Engineering Group Co., Ltd.* (廣東蕉嶺建築工程集團有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Guarantor;

“Guarantor”	China Aoyuan Group Limited (中國奧園集團股份有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3883);
“Guarantor Group”	the Guarantor and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan;
“Maturity Date”	the date falling on the expiry of 364-day period after the Drawdown Date;
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	holders of the Share(s);
“Share(s)”	ordinary share(s) of the Company;
“SIC Factoring”	Shangao International Commercial Factoring (Shenzhen) Co., Ltd.* (山高國際商業保理(深圳)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules;
“US\$”	United States dollars, the lawful currency of the United States of America;
“%”	per cent.

By Order of the Board
China Shandong Hi-Speed Financial Group Limited
Wang Xiaodong
Chairman

For illustration purpose only, amounts in US\$ in this announcement have been converted into HK\$ at the rate of US\$1=HK\$7.8 and amounts in RMB in this announcement have been converted into HK\$ at the rate of RMB1=HK\$1.11.

Hong Kong, 24 December 2019

As at the date of this announcement, the Company has five executive directors, namely Mr. Wang Xiaodong, Mr. Liu Han, Mr. Liu Zhijie, Mr. Liu Yao and Ms. Liao Jianrong; three non-executive directors, namely Dr. Lam Lee G., Mr. Qiu Jianyang and Mr. Lo Man Tuen; and four independent non-executive directors, namely Mr. To Shing Chuen, Mr. Cheung Wing Ping, Mr. Guan Huanfei and Mr. Tan Yuexin.

** for identification purpose only*